

Overview and Recommendations on the Current Executive Performance Review Process

Report of the Performance Standards Subcommittee

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Subcommittee Chairman
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- Responsibilities of the Subcommittee
- Executive Performance Review Process
 - Agency Management Scorecard
 - Agency Outcome Performance Measures
- Executive Compensation Provisions
- Recommendations
 - Performance Review
 - Other

Subcommittee Responsibilities

- Reviewing existing and recommending additional performance standards for transportation executives
- Reviewing existing and recommending additional standards for transportation agencies
- Recommending additional reform measures

Executive Performance Review Process

- **Current process is based mostly on quantitative measures**
- **Current process has two components:**
 - **Agency Management Scorecard – Measures the agency head's performance in terms of the administrative/operational performance of the agency**
 - **Agency Key Outcome Measures – Measures the agency head's performance in terms of mission critical results produced by the agency**
- **Applies to All State Agency Heads, including Transportation**

Agency Key Outcome Measures

- Measures an agency's outcomes – Result of providing a service or product
- Should align with the agency's mission
- Two to four key measures per agency
- Performance targets and dates are established for each measure
 - Target date is typically 2010
- Published on the Web at www.vaperforms.virginia.gov/

Current Agency Key Objectives and Outcome Performance Measures

| Agency | Objectives | Measures |
|----------|---|---|
| VDOT | Improve Highway Safety | Number of Fatalities |
| | Manage Congestion | Annual Hours of Delay |
| | Improve Quality of Projects | Construction Quality Index |
| | Complete Projects On-time and On-budget | % Projects Completed On-time and On-budget |
| DMV | Decrease Number of Traffic Fatalities | Number of Fatalities |
| | Provide Reasonable Customer Service Wait-time | Wait time for Majority of Customers |
| | Reduce Number of Interactions Between Citizen and DMV | Average Number of Interactions To Complete a Single Transaction |
| Aviation | Increase Aviation Utilization | Number of Enplanements Economic Activity Generated |
| | Provide Financial Assistance for Airport Development | Ratio of Grants Executed to Allocation |
| DRPT | Manage Congestion | Public Transportation Trips/Person |
| | Retain, Improve, Develop Railways | % Rail Enhancement Projects On-time and On-Budget |
| | Facilitate Dulles Metrorail Corridor Project | Timely Execution of Phase 1 |
| VPA | Enhance Port-Related Business | Number of Port-Generated Jobs |
| | Increase Business Through Port | Number of Containers |
| | Enhance Cargo Handling Capability | Cargo Per Acre/Per Year |

Agency Management Scorecard

- Measures agency operations in six categories:
 - Human Resource Management
 - Government Procurement
 - Financial Management
 - IT/Enterprise Architecture Initiatives
 - Performance Management
 - Environmental & Historic Resource Stewardship
- Each category has multiple measures (20 total)
- Applies to all state agencies

Agency Management Scorecard

Examples of Measures

- Human Resource Management
 - Attracts and retains qualified employees
 - Applies management practices fairly and consistently
 - Invests in the training of the workforce
 - Awards excellence, poor performance carries consequences
 - Promotes a healthy workforce and safe environment
- Financial Management
 - Establishes a financial plan to monitor expenditures
 - Ensures that agency internal controls safeguard against loss
 - Ensures that audit points are addressed promptly and adequately
 - Adheres to statewide disbursement policies
 - Complies with prompt pay provisions

Agency Management Scorecard

- Grades apply to each of the 20 measures
 - **Meet Expectations**
 - **Progress Towards Expectations**
 - **Below Expectations**
- Criteria for each grade are provided for each measure, used by Agency Heads to determine appropriate grade
- Throughout the year, Agency Heads self-assess
- Annual review & reconciliation by appropriate Cabinet Secretary
- Annual review & reconciliation by Central Agencies
- Governor then evaluates Agency Head performance

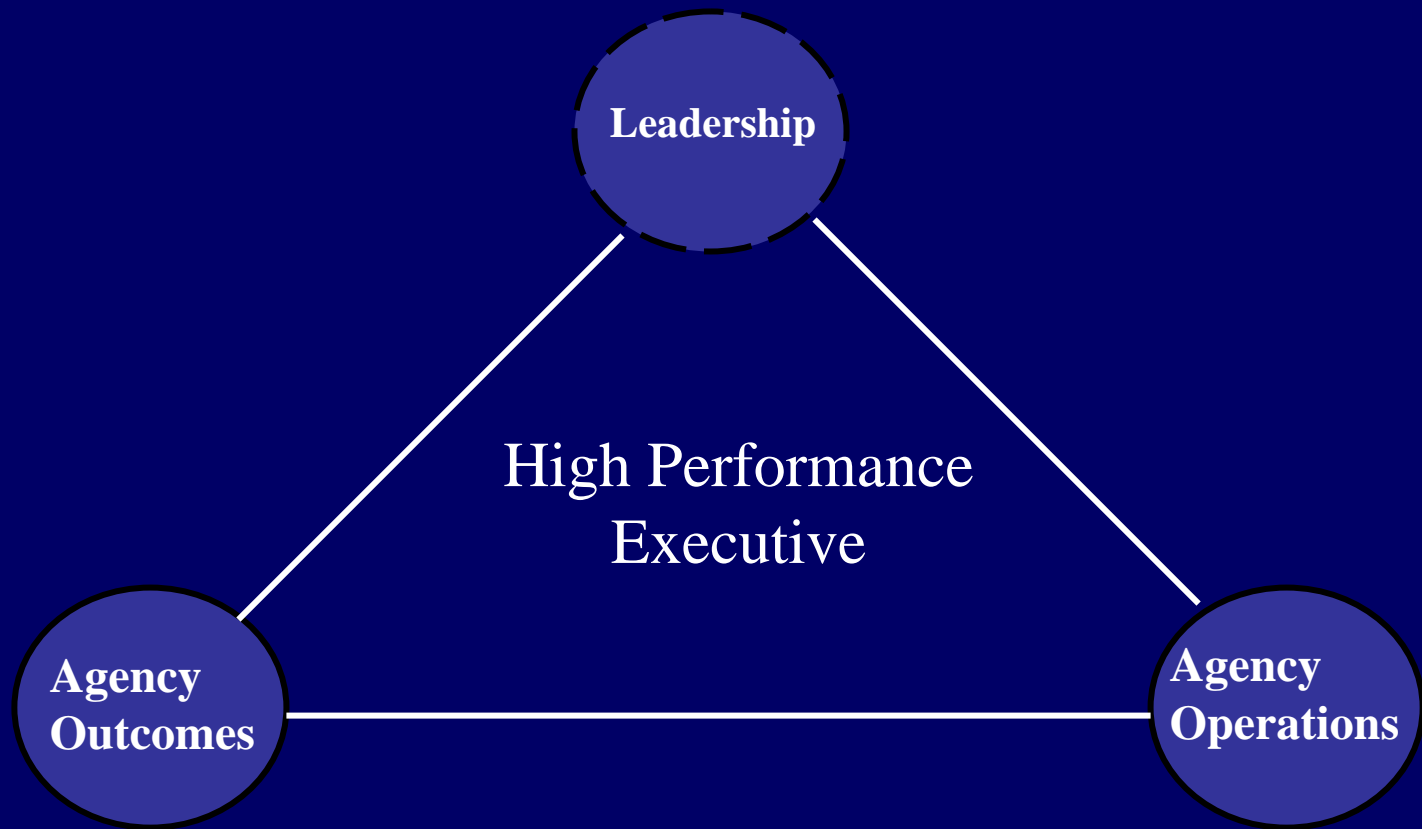
- The Appropriation Act (Act) establishes Executive Compensation
- The Act provides that the Governor may increase/decrease compensation up to 10 percent based on an assessment of performance
- The Act provides that the Governor may grant performance bonuses of 0-5 percent based on an annual performance assessment

Performance Review Recommendations

- Include a qualitative leadership component in the performance review process
- Leadership includes but is not limited to:
 - Champions Governor's priorities; understands the importance of goals and relationships (Governor's management philosophy)
 - Communicates the agency's mission, vision, and shared values; leads by example; galvanizes the agency and inspires action
 - Acts in a professional and ethical manner within and outside the agency
 - Manages conflicting constituents and shifting priorities; makes the tough calls; delivers on promises
 - Promotes client/customer service

Performance Review Recommendation

Balanced Executive Performance Review Process



Other Recommendations

- Develop shared performance measures when a performance measure is beyond the span of control of one agency head
- Develop stretch goals for agency heads and set interim performance target dates
- Provide for compensation and incentives when performance expectations are exceeded
- Institutionalize the performance review process
- Use or develop data on cost of congestion per individual, educate the public on this cost and utilize the results to quantify the additional transportation investment that is needed

Questions?